



Embargo 10:00

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AGM OPENING ADDRESS
BY THE CHAIRMAN OF ALLIED IRISH BANKS, P.L.C. ("AIB")
RICHARD PYM

Check against delivery

Good morning ladies and gentlemen and welcome to our Annual General Meeting. My name is Richard Pym, and I am the Chairman of AIB.

We have a quorum, so I now formally open the Meeting. The Notice of the Meeting was posted to Shareholders on the 21st April 2016, and so I suggest, with your agreement, that we dispense with its formal reading.

I'm joined, nearest to me, on the platform by Bernard Byrne, our Chief Executive Officer, Mark Bourke, our Chief Financial Officer, David O'Callaghan, our Company Secretary and Helen Dooley, our Group Legal Counsel. The other Directors are present in the room and I'll be including them in proceedings when we come to the resolutions later, where I will ask them to identify themselves and to provide you with a brief summary of their experience for the role.

We issued a Trading Update to the markets at 7.00 a.m. this morning. I will ask Bernard to give an overview of the trading update and the Bank's 2015 performance later in the meeting. The good news is that your bank is doing very well, and that's great news for our staff who have been working hard to create the recovery in the bank which our customers are now seeing. We will also have a short video highlighting some of the Bank's activities during the past year.

So the first formal part of our proceedings is the Independent Auditors' Report to the Members. This is set out on pages 203 to 206 of our 2015 Annual Financial Report, copies of which are available at the entrance to the meeting. As you are aware, the Auditors' Report is quite detailed. Gerry Fitzpatrick from our Auditor, Deloitte, is present here this morning, however I propose that, with the consent of the Meeting, we take the Auditors' Report as read.

2015 was a milestone year and a decisive turning point for AIB in its recovery. Our Extraordinary General Meeting in December resulted in a strengthened and simplified capital structure which, very importantly, meets regulators' requirements and allowed us to return €1.7 billion to the State. That represented a hugely symbolic step and paves the way for the State to sell part of its shareholding in AIB at a time of its choosing, which we were pleased to see outlined in the programme for Government. AIB's return to being a stable and customer-focused institution, capable of supporting Ireland's economic recovery, was achieved through huge taxpayer support. And so returning the taxpayers' investment of €20.8 billion in full over time remains a key ambition of the bank.

In July this year, the scheduled maturity of the Contingent Capital Notes, which were another element of the capital invested by the Government, will result in a further payment of €1.8 billion.

Fully regaining customers' confidence can only be achieved if we operate consistently in our customers' eyes with professionalism and integrity and if we consistently provide a customer experience that meets their requirements. We acknowledge that challenges will continue to arise as a result of legacy issues and we are committed to dealing with them in a fair and equitable way.

We are responding to such an issue at present: in December 2015, the Central Bank of Ireland (CBI) launched an industry wide examination of tracker mortgage related issues. While we had already set about addressing this issue before the examination was launched, we welcome the CBI framework which we hope will ensure consistency of approach across the industry.

Where we identify areas where redress is relevant, we will work through the various steps to ensure we deliver the right customer outcomes.

Assisting customers in financial difficulty remains a priority and tangible results are being achieved. AIB's impaired loan book has now reduced to €12 billion, down from approximately €30 billion in early 2013.

I will now pass over to Bernard, then we will show the short video which I referred to earlier.

[Please click here to view Bernard Byrne's presentation](#)

Thank you Bernard.

We now come to the formal part of the meeting, where we consider and vote on the resolutions. You will have an opportunity to ask questions in a few moments, but if for some reason you don't get the chance or would prefer to ask your question in a less public setting, the Directors will be joining you for refreshments following the meeting so you can put your questions to any of us at that stage.

I will propose the 12 resolutions in one section and then take questions in relation to all 12 resolutions when that's done. You are entitled to ask any question on any resolution in that question section. I hope this makes it easier.

Before I propose the resolutions, I'll ask the Directors to introduce themselves to you. This year, all Directors will retire from office and offer themselves for appointment or re-appointment with the exception of Michael Somers who, as a Government appointee, is not required to seek re-appointment.

[Commencing with the Chairman, Directors stand and speak in the order in which seated...]

Thank you.

The Board is confident that all Directors are experienced and knowledgeable and that each Director being proposed will continue to make a valuable contribution and provide an objective perspective in discharging his or her duties as a Director. Biographical information in respect of each Director seeking re-appointment is included in the Shareholders Report.

The Board believes that it is important that the intentions of all shareholders who register a vote are taken into account. Therefore I am calling a poll on each of the resolutions proposed today and, accordingly, we will be voting by poll on each of them, separately, at the end of the meeting. In that way, all proxies received prior to the meeting will be taken into account.

1. The first resolution on the agenda relates to the 2015 Annual Financial Report, in relation to which I propose:

"that the Annual Financial Report, including the Directors' Report and Auditors' Report, for the year ended 31st December 2015 be received."

Some questions have been raised in the media on the accuracy of our reporting of non-performing loans and provisions as included in the financial statements, these have been comprehensively reviewed by management and auditors and we are entirely satisfied that the accounts are accurate.

2. The second resolution relates to the Report on Directors' Remuneration. The vote is advisory only. So I now propose:
"That the Report on directors' remuneration and interests for the year ended 31st December 2015 be received"
3. The next item is the appointment and re-appointment of Directors. So I propose, as separate resolutions, that:
 - Helen Normoyle be "appointed" a Director; and
 - Simon Ball be "reappointed" a Director; and similarly
 - Mark Bourke
 - Bernard Byrne
 - Thomas Foley
 - Peter Hagan
 - Jim O'Hara
 - and Catherine Woods

My reappointment is next so I'll ask Bernard to propose the motion.

- Bernard Byrne: I propose that Richard Pym be re-appointed a Director;

Thank you Bernard.

4. The next item is the Auditor's Remuneration.

The work of the auditor, and the level of the audit fees, are reviewed on behalf of the Board by the Audit Committee. That Committee is satisfied with the effectiveness of the Auditor, and that the fees are appropriate.

The Auditor, Deloitte, Chartered Accountants and Registered Auditor, has signified agreement to continue in office for the 2016 statutory audit.

I am pleased, therefore, to propose:

"that the remuneration of the Auditor in respect of the year to 31st December 2016 be such sum as may be agreed by the Board".

I have proposed all of the resolutions, and will move to questions.

To be fair to everyone in the room, and to give as many people as possible an opportunity, I ask that you please get to your question as quickly as possible. I must ask that the questions are specifically on the resolutions. Please wait for a microphone and state your name before putting your question.

[When Shareholder questions are complete...]

Thank you.

As all the Resolutions have been proposed, I am now asking you to please vote by completing the AGM poll card which you received on the way in to the meeting. You should indicate your voting

preference, sign the poll card and deposit it in one of the Ballot boxes which are positioned throughout the room. The results will be made available by 5.00 p.m. this evening at our main reception desk at the Merrion Entrance across the road in Bankcentre, and on our website.

That concludes proceedings and it only remains for me now to thank you for your participation and to invite you to join us for some refreshments. The Directors will be present should you have any questions or comments to share with us. For shareholders wishing to discuss their banking business or any aspect of their banking relationship we have customer service representatives available on site.

Thank you for being with us today. That is the close of the meeting.

-ENDS-

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Forward-looking Statement

This document should be considered with AIB's Annual Financial Report 2015, and all other relevant market disclosures, copies of which can be found at the following link:

<http://investorrelations.aib.ie>

Important Information and forward-looking statements

AIB is 99.9% owned by the Irish State and therefore the limited freefloat distorts trading and valuation of AIB shares.

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of AIB Group and certain of the plans and objectives of the Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'may', 'could', 'will', 'seek', 'continue', 'should', 'assume', or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, capital structure, Government shareholding in the Group, income growth, loan losses, business strategy, projected costs, capital ratios, estimates of capital expenditures, and plans and objectives for future operations. Because such statements are inherently subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking information. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These are set out in the Principal Risk and Uncertainties on pages 50 to 59 in the AIB Annual Financial Report 2015. In addition to matters relating to the Group's business, future performance will be impacted by Irish, UK and wider European and global economic and financial market considerations. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made. The Group cautions that the list of important factors on pages 50 to 59 of the AIB Annual Financial Report 2015 is not exhaustive. Investors and others should carefully consider the foregoing factors and other uncertainties and events when making an investment decision based on any forward-looking statement.